

## Loan Number: - Payment Waiver Agreement

Clients Name:

### What is a waiver?

Sometimes when you borrow money you find you cannot pay because something happens to you. Perhaps you cannot work because become sick or you are hurt in an accident. Perhaps you lose your job. Perhaps you die. We know that that can happen.

Sometimes you can insure against that happening. However we offer a waiver arrangement instead.

If we agree that you do not have to make your loan payments (pay your regular instalments) when one of those things happens we call that a waiver agreement. If we agree that you do not have to make a payment that means we "waive" the payment. If we waive a payment, your debt with us will reduce just as if that payment has been made. For example if you owe us \$1,000 and you must pay us a regular payment of \$50 tomorrow the \$1,000 will reduce to \$950 if you pay. If you cannot earn money from work because you are sick but you have a waiver we would reduce your debt to \$950 tomorrow even though you did not make your regular payment. You may have a separate waiver agreement for each and any loan agreement you have with us.

We think waiver agreements are a good idea. We charge you a fee for them. However, you do not have to have a waiver agreement with us – they are voluntary. If you make a waiver agreement with us, you may cancel it at any time because you pay the cost with your regular instalment.

We will not waive a payment if you are in part time work or casual work or seasonal work. We will only waive a payment if you have a full time permanent job.

There will be a stand down period of one week from when you are first unable to work before the payment waiver will apply. The eight weeks will run from the expiry of that first week.

If you

- are sick or injured, so you stop work and cannot work at your normal or usual job or
- are made redundant from your job.

we will waive your regular payments for up to 8 weeks after the first week that you are off work. If you are off work for 9 or 20 weeks we will waive your payments for 8 weeks.

If you are permanently disabled so that you can never work at that job or any similar job again, we will waive payment of the unpaid balance of the loan.

If you die, we will waive payment of the unpaid balance of the loan.

We will need some proof that you are entitled to the waiver and we also have some rules.

If you are unable to work for any reason, we may require written evidence from your employer that your job was a permanent full-time job. If you are made redundant you must give us a copy of the redundancy notice. If you are injured or sick you must give us a doctor's letter saying you cannot work and a letter from your employer saying that you are not at work. We may accept other evidence.

Sometimes we can find out what we want to know from a phone call but we decide that, not you. We may also need other information and you must help us get it if you can.

If you die, we must see a copy of your death certificate.

We charge the fee for the waiver each time you pay your loan instalment. If you decide to stop the waiver you may do so. If you tell us, we will stop debiting your account for the waiver fee. If you stop making your regular payments completely, we will continue to charge you the waiver fee for a period (for a time) but after that we will no longer charge you. Also after that period we will no longer agree to waive payments – your right to waiver will be lost. If you tell us during that period that you are entitled to waiver we will honour it – that is we will waive the payments for the time you are entitled.

The period or time that we will continue to honour the waiver is different depending on how often you make your payments. If your regular instalments are weekly or fortnightly, then the period is 4 weeks. That means we will continue to charge you the waiver fee for 4 weeks or two fortnights after the first date that you miss an instalment and we will honour a waiver claim from you during that time. If your regular instalments are monthly the period is 6 weeks. That means that if you miss two monthly payments, we will not honour the waiver agreement after two weeks from the due date of the second payment. At the end of that 4 weeks or 6 weeks we will also stop charging the waiver fee to your account.

You must tell us in writing if you are made redundant or if you are unable to work as a result of sickness or accident.

I wish to take up the offer of waiver and have agreed to pay the fee of \$2.29 a week charged to my account monthly.

I am aware that this is voluntary and I would be granted the loan if I did not take up the offer.

Signed for the lender: \_\_\_\_\_